

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 7-8, 2006

Reference No.: 3.11  
Information Item

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Chief Financial Officer

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Chief  
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Subject: **FY 2005-06 3<sup>rd</sup> QUARTER RAIL OPERATIONS REPORT**

## **SUMMARY:**

This is the FY 2005-06 Third Quarter Intercity Rail Operations Report requested by the California Transportation Commission (Commission). The report provides information for each route on ridership, farebox ratio, passenger miles per train mile, and on-time performance measures.

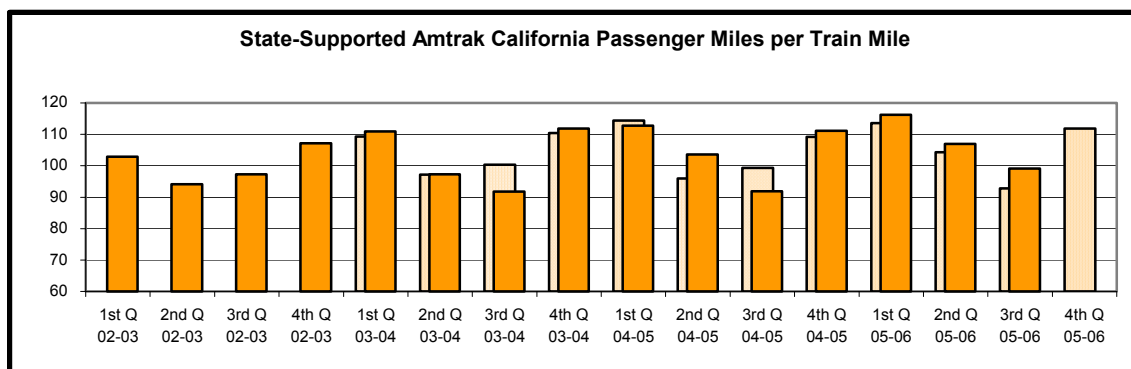
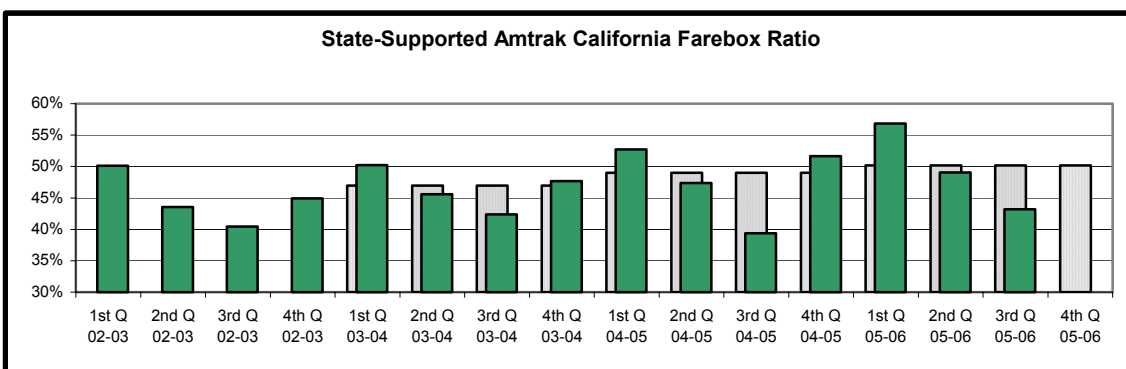
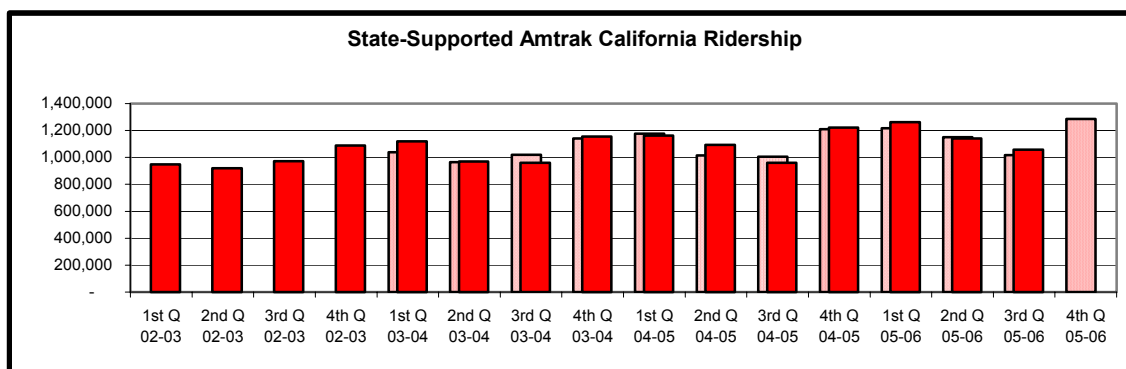
California provides financial and administrative support for Amtrak intercity rail passenger service on three corridors within the state: the *Pacific Surfliner Route* between San Diego, Los Angeles, and San Luis Obispo; the *Capitol Corridor* between the Sacramento region, Oakland, and San Jose; and the *San Joaquin Route* to Bakersfield from both Oakland and Sacramento. These routes are, respectively, the second, third, and fifth busiest routes in the entire national Amtrak system. State support for the *Pacific Surfliner* and *San Joaquin* routes is administered by the Department of Transportation (Department), while support for the third corridor is administered by a separate agency, the Capitol Corridor Joint Powers Authority (CCJPA), using funding provided through the Department.

Total ridership during the third quarter (January-March 2006) on the three routes increased by 10.0 percent over the comparable quarter in FY 2004-05 and was 4.0 percent above the Business Plan projection for the quarter. This growth was particularly significant in that it occurred without the benefit of the Easter vacation peak travel period. Easter this year did not occur until April 16<sup>th</sup>, so the two-week peak (April 7-23, 2006) will show up entirely in the fourth quarter, whereas last year Easter was March 27<sup>th</sup>, and the travel peak (March 18-April 3) was primarily in the third quarter.

Overall revenue in the third quarter increased 19.3 percent while overall expense increased only 10.3 percent, compared with the same quarter the previous year. The combined farebox ratio went up by 3.8 percentage points to 43.2 percent.

Passenger Miles per Train Mile (PM/TM), a measure of the average number of passengers on board an individual train at any one time, was 99.1 for the third quarter of FY 2005-06, 7.8 percent above the same period the prior year, and 6.6 percent above the Business Plan projection.

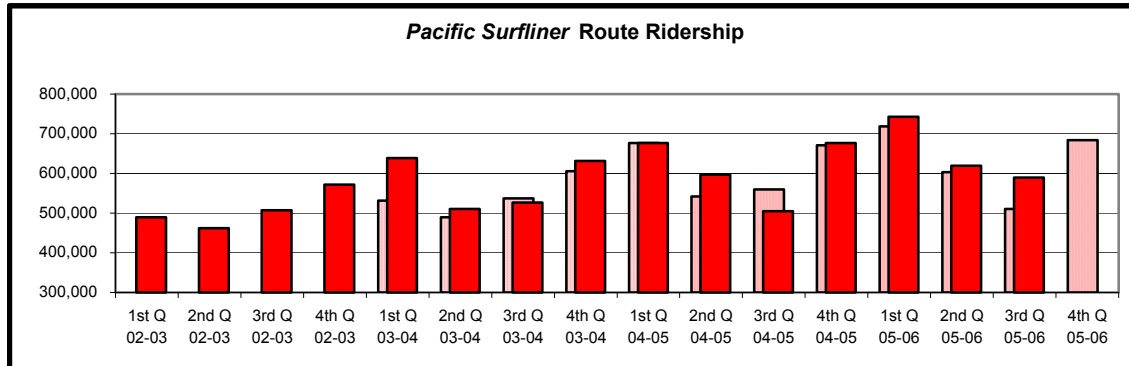
The following graphs depict the combined results of the three State-supported rail corridors in California. Route-specific charts are in the sections for each route that follow:



*Notes: Solid Bars reflect actual data; Shaded Bars reflect Business Plan Projection.*

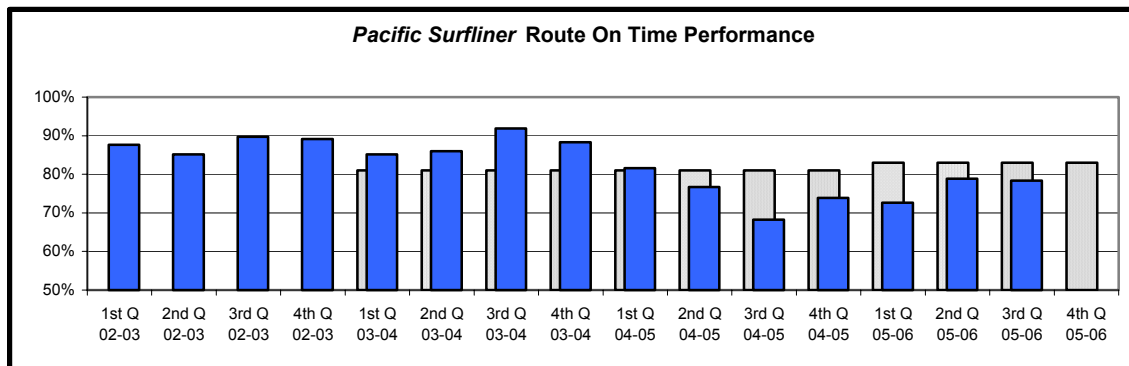
### *Pacific Surfliner Route*

There are currently 11 weekday round trips between Los Angeles and San Diego, four of which are through-trains between San Diego and Goleta (Santa Barbara). One of the four Santa Barbara round trips continues north to and from San Luis Obispo. A second San Luis Obispo train, which operates only between Los Angeles and San Luis Obispo, was instituted in November 2004, bringing the total level of service north of Los Angeles to five round trips daily.



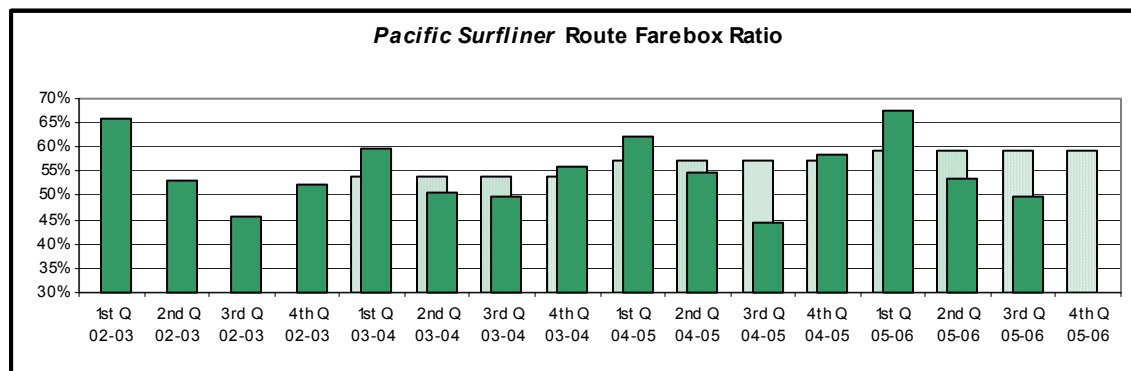
Performance on the *Pacific Surfliner* route has rebounded following the service disruptions of January and February 2005. All three months in the third quarter set ridership records for their respective months, making twelve record-setting months in the last thirteen. The March record is particularly noteworthy, since, as discussed above, it was attained despite the “loss” of the normal Easter vacation traffic surge. Total *Pacific Surfliner* ridership for the third quarter was 16.8 percent higher than the same quarter the previous year and 15.5 percent higher than the projection in the Business Plan.

The “Rail 2 Rail” Program, in which the Department and Amtrak partner with both Metrolink and Coaster for the mutual honoring of tickets, continues to help spur ridership increases on all three services. Since its inception, over one million riders have taken advantage of this Program, demonstrating that the increased convenience of being able to use either of two systems at all stations from Oxnard south has made rail travel much more attractive throughout the Los Angeles basin. In addition to the “Rail 2 Rail” Program, targeted marketing to the senior and Hispanic markets is also contributing to the higher ridership and revenue on the corridor.

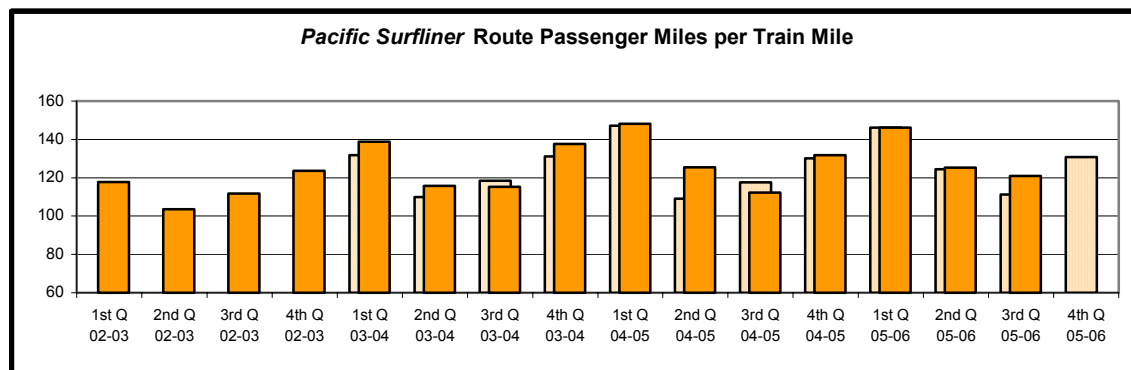


***Pacific Surfliner Route (continued)***

On-time performance in the third quarter was 78.4 percent, 10.1 points higher than in the third quarter of the previous year. That was a slight improvement over the second quarter, but was 5.5 percent below the Business Plan projection of 83 percent. Traffic congestion (freight and passenger) continues to be a problem, particularly on the mostly single track Metrolink/Union Pacific line north of Los Angeles. OTP on the north end was 73.0 percent in the third quarter, compared to 84.1 percent between Los Angeles and San Diego.



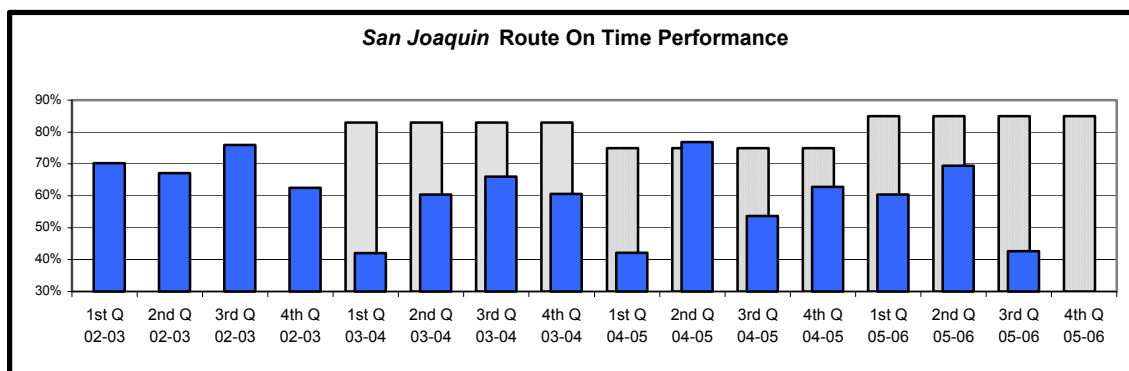
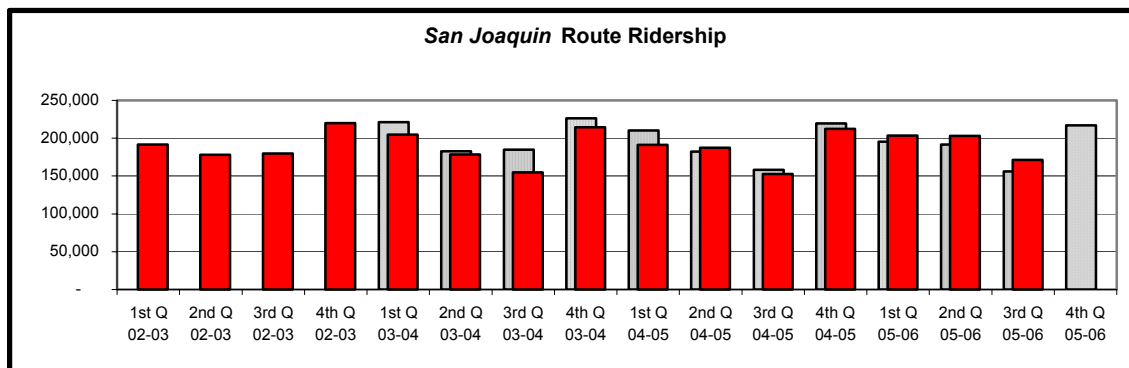
*Pacific Surfliner* revenue for the third quarter increased 29.6 percent, compared with the same quarter the previous year. The corresponding increase in expense was 16.3 percent, with the farebox ratio going up by 5.1 percentage points to 49.6 percent, below the Business Plan projection of 59 percent.



Passenger Miles per Train Mile (PM/TM) for the third quarter increased 3.0 percent, from 118 last year to 121 this year. The length of the average trip on the route was 80.2 miles during the third quarter.

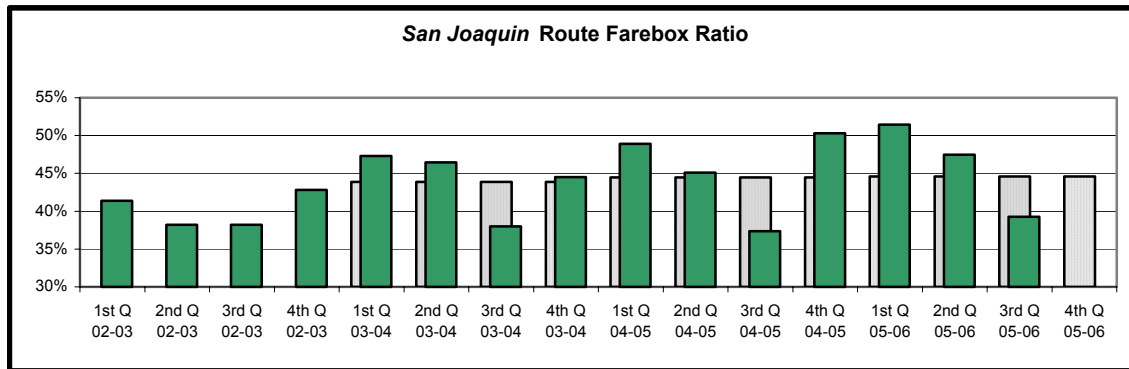
***San Joaquin Route***

Currently, six daily train round trips serve the *San Joaquin Route*, four operating between Bakersfield and Oakland/San Francisco and two between Bakersfield and Sacramento. All six round trips have dedicated bus connections between Bakersfield and Los Angeles and other points throughout Southern California. On the north end, similar buses to and from Stockton connect Sacramento with Oakland trains and San Francisco/Oakland with Sacramento trains, thus providing six daily arrivals and departures for both northern terminals. Additional connecting buses provide feeder service to communities throughout the north end of the State.

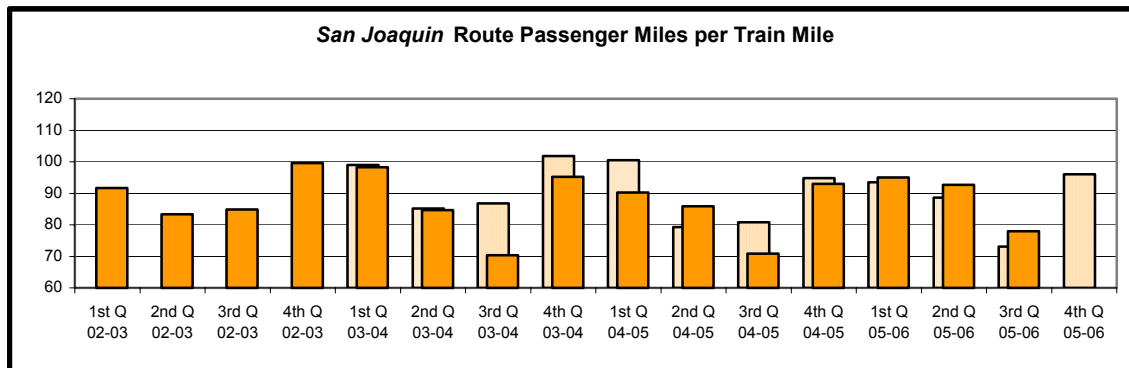


Despite the disruptions caused by programmed track maintenance projects (see below), ridership on the *San Joaquins* set record monthly highs in January and February of 2006. A slight (1.1 percent) decline in March can be attributed to the later occurrence of Easter this year (in April instead of March), and the decline was actually less than would have been expected. Total ridership in the third quarter increased 12.3 percent, compared to the same period the year before, and exceeded the San Joaquin Route Business Plan projection by 9.8 percent.

On time performance was negatively impacted by a programmed track maintenance project between Stockton and Fresno on the BNSF's single track San Joaquin Valley main line that lasted for four weeks in January and February, 2006. The project required four trains to be "bus-bridged" around the work area and imposed construction-related slow orders on the other trains. A smaller concurrent project on the Union Pacific between Sacramento and Stockton also contributed to poorer performance by requiring one Sacramento train to detour over an alternate route. On time performance averaged 42.7 percent for the entire third quarter, 11.0 percent below the same quarter the previous year and 49.8 percent below the Business Plan projection.

***San Joaquin Route (continued)***

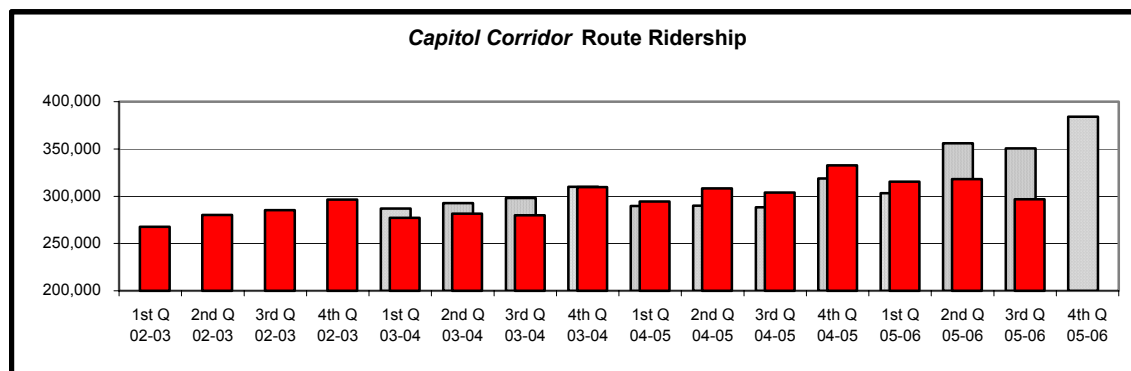
*San Joaquin* revenue for the third quarter increased 16.2 percent, compared with the same quarter the previous year. Expenses, at the same time, increased 15.7 percent, with the farebox ratio going up by 1.9 percentage points to 39.3, below the Business Plan projection of 45 percent.



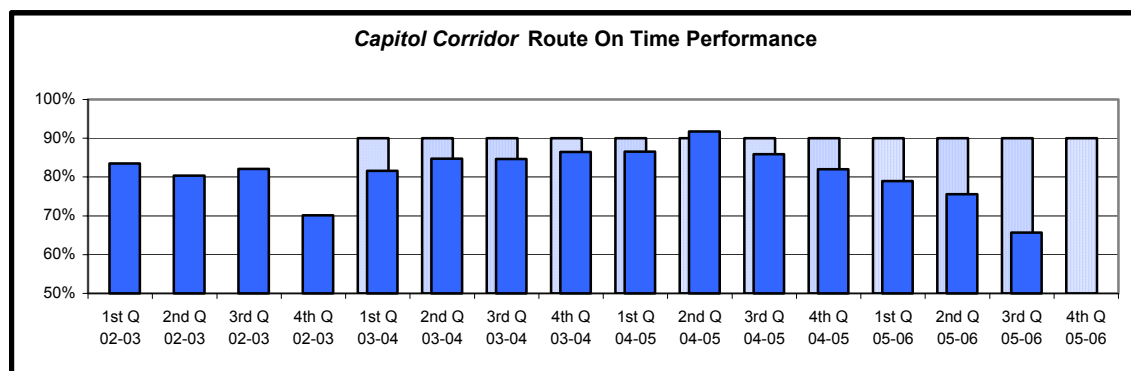
Passenger Miles per Train Mile (PM/TM) for the third quarter of the fiscal year were 78.0, up 10.2 percent from the 70.8 PM/TM generated during the same period of the previous fiscal year. Average trip length (for the train portion of passenger trips) was 146.9 miles.

***Capitol Corridor***

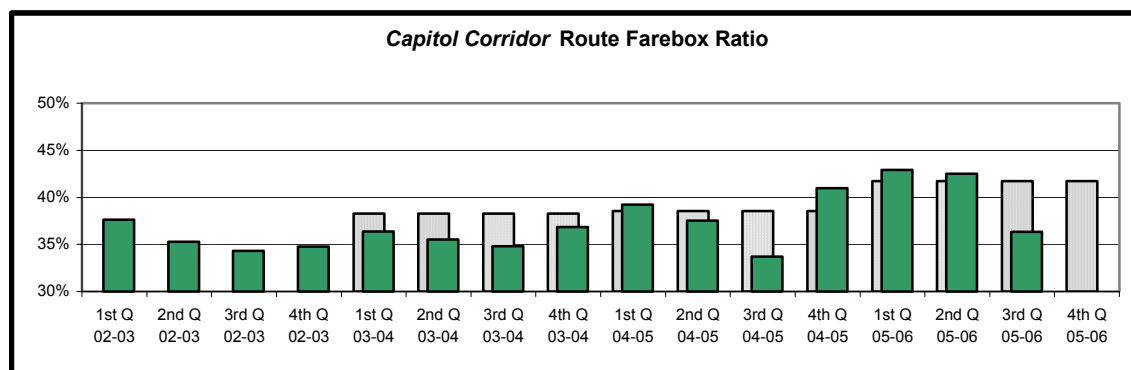
There are currently twelve weekday round trips between Oakland and Sacramento. One round trip each day continues to and from Auburn, and four round trips extend beyond Oakland to San Jose. On weekends there are nine Sacramento-Oakland round trips, with six round trips extending to San Jose and one to Auburn.



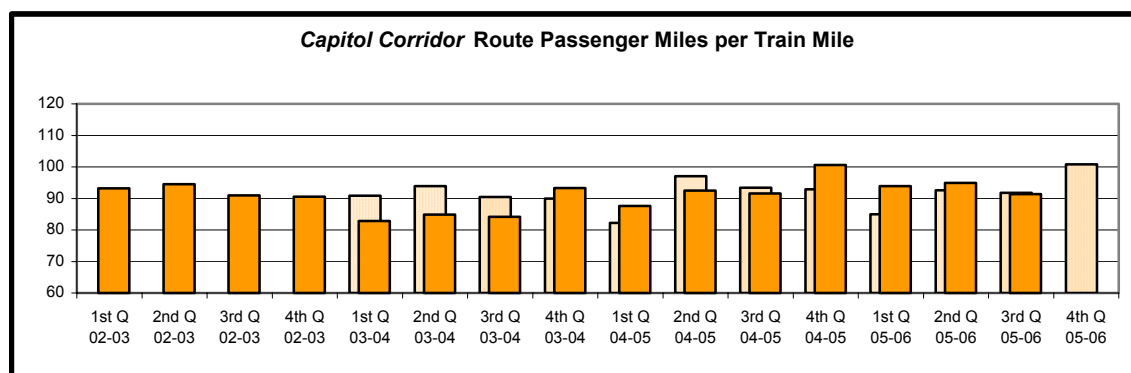
Ridership on the *Capitol Corridor* declined slightly in the third quarter, the first such quarterly decline (compared with the same quarter the previous year) in two years. The biggest drop was in February 2006, which was more than 6.0 percent lower than February 2005, and March 2006 was off by almost 2.0 percent. This corresponds to the time frame of a track improvement project between Oakland and San Jose that required buses to replace some trains and caused slow orders for the remaining trains. Total ridership for the third quarter declined 2.3 percent, compared to the same quarter the year before, and was 15.4 percent below the quarter's projection in the Business Plan.



On time performance fell to 65.7 percent in the third quarter, compared with the same quarter the previous year, and was well below the Capitol Corridor Business Plan projection of 90 percent. In addition to slow orders and train congestion along the entire route, the track work project between Oakland and San Jose impacted trains on that segment.

**Capitol Corridor (continued)**

Despite the ridership decline, *Capitol Corridor* revenue for the third quarter increased by 1.9 percent, compared with the same quarter the previous year, while expenses decreased 5.5 percent. The farebox ratio improved by 2.6 percentage points to 36.3, but remained below the Business Plan projection of 42 percent.



Passenger Miles per Train Mile (PM/TM) for the third quarter of the fiscal year were 91.3, just below the 91.6 PM/TM generated during the same period of the previous fiscal year. Average trip length was 67.9 miles.